



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In Re Application of:

Gordon Michael WIRAM

Serial No.: 09/777,722

Filed: February 5, 2001

For: POINT OF SALE SYSTEM

Art Unit: 3627

Examiner: Steven B. McAllister

Mail Stop Fee Amendment  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

CERTIFICATE OF MAILING

I hereby certify that this document is being deposited with the U.S. Postal Service "Express Mail Post Office to Addressee" service under 37 C.F.R. §1.10 and is addressed to: Mail Stop Fee Amendment, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on January 13, 2005, Express Mail Label No. EV272834591US,  
by Bobbie Jean Corbin  
Bobbie Jean Corbin

DECLARATION UNDER 37 C.F.R. 1.132 IN RESPONSE TO JULY 13, 2004

OFFICE ACTION

I, GORDON MICHAEL WIRAM, declare that:

1. I am a named inventor of the "Point of Sale System," which is claimed and disclosed in the above-identified patent application.

2. Since prior to 1999, I have been involved in the development and use of a Point of Sale System ("POS") for U-Haul International, Inc. ("U-Haul") the assignee of the above-identified patent application.

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Atty. Docket No. 57111-5098  
Customer No. 24574

3. U-Haul has implemented both a non-internet based POS system (the "PC-based system" referenced in my Response to the Requirement for Information, dated April 14, 2004) and an internet-based POS system. The internet-based system has been in operation since 2001 and is described and claimed in the above-referenced application. It is currently in use by 800 out of 1,400 company owned stores (rental centers) and approximately 11,000 out of 13,000 dealers.

4. I have reviewed the Office Action, dated July 13, 2004. The Examiner has cited Francisco, et al., U.S. Patent No. 5,875,433 ("Francisco") and the information provided in my Response to the Requirement for Information, dated April 14, 2004 ("Response"). I am familiar with the contents of Francisco and my Response. I understand that the Examiner has asserted that the claims of the above-referenced application are obvious in view of U-Haul's PC-based POS system, the Budget system referenced in my Response and/or Francisco (the "Cited References").

5. In my opinion, the claims of the present application would be novel and non-obvious to a person of ordinary skill in the art and are not suggested or disclosed by the Cited References, either alone or in combination.

6. It is my understanding that certain "Secondary Considerations" of non-obvious may be used to rebut an Examiner's finding of obviousness. In this case, the Secondary Considerations demonstrate that the claimed invention is non-obvious.

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The Claimed Invention Addresses Long Felt But Unsolved  
Needs

7. To facilitate the management of its rental equipment business, U-Haul organized several marketing companies having different geographic territories. These marketing companies are wholly-owned subsidiaries of U-Haul International, Inc. Each marketing company utilizes a number of U-Haul rental centers and dealers who maintain and provide equipment to customers at their various locations. Currently, there are approximately 1,400 rental centers and 13,000 dealers.

8. To use the PC-based POS system, each rental center and dealer had to have its own computer or computer network. Each of these computers or networks had POS system software loaded on it for making POS equipment, rental and reservation transactions.

9. Prior to the implementation of the internet-based system, any time a change needed to be made to the POS system software or the database information used by it, the specific software and/or database information resident on each machine had to be updated. To do this, U-Haul had to transmit updated copies of the software and/or database to each rental center and dealer which used the POS system (at the time approximately 1,400 rental centers and 1,000 dealers used the PC-based POS System). Specific software was developed in order to transmit the updated program and database from U-Haul's corporate headquarters to its regional centers and down to the dealers and rental centers. Additional software was required to transmit the updates to each work station used by a particular dealer or rental center. Communication problems frequently disrupted the updating process, and as a result, it frequently took one week or more to complete the updates and verify their completion at each location.

10. Because of the cumbersome system of implementing software and database changes, as market conditions changed, the prior system increased the risk that many dealers or rental centers would not timely receive updates to their POS system software and database information. One category of such database information is rental rates. It is my understanding that economic opportunities were lost because, for example, the dealers and rental centers would rent equipment at rates lower than the market would bear. On information and belief, at times dealers and rental centers also provided equipment at inconsistent prices because of the inherent delay in implementing software and database changes.

11. Aside from rental rate changes, U-Haul's business decisions were also implemented inconsistently with the PC-based system. Under the PC-based system, for example, if it were determined that the company no longer wished to do business with a particular customer because he had failed to comply with U-Haul's contractual terms in the past, that information had to be transmitted to and implemented in each dealer and rental center's POS system. The databases of each rental center and dealer were not linked in the PC-based system. Thus, to identify a problem customer in the POS System, the dealer or rental center that identified the problem customer had to notify the persons responsible for updating the database that a database change was needed. The updated database then had to be transmitted to each location in the manner described above for making software changes. As a result, it is my understanding that the problem customer could continue doing business with U-Haul until the entire system was been updated, thus perpetuating the problem that led U-Haul to decide it no longer wished to do business with the customer in the first place.

12. Because U-Haul has to regulate the flow of its vehicles throughout the country, it frequently offers incentives for customers to return vehicles to specific locations which are in need of them. A discounted rate is provided in return for the customer's agreement to return the vehicle to the specified location. In the PC-based system, dealers and rental centers could not view one another's rental contracts through the POS system. On information and belief, dealers and centers to whom vehicles were returned were frequently unaware of the specific rental contract a customer had made at the time of obtaining a vehicle. It is my understanding that as a result of this deficiency in the PC-based system, many customers were able to return their vehicles to locations other than the ones to which they agreed yet were still able to obtain the agreed-upon rental discount.

13. The PC-based system was additionally costly in that it required individual dealers and rental centers to obtain computers and networks which had the capability of maintaining and executing the POS system software. It is my understanding that numerous software components, specific operating systems, and specific processors were required to do this.

14. In light of the foregoing, a long-felt but unsolved need developed for a way to quickly and uniformly implement changes to the POS system software and database throughout the U-Haul system. A need also developed to avoid the required use of computers meeting the specifications necessary to locally run the POS system software.

15. The claimed invention addresses the foregoing long felt but unsolved needs. The nexus between the claimed invention and its ability to address those needs is the claimed connection to the internet. With the claimed internet-based system, changes to the POS system software and database can be made at a central internet server and are quickly made available to rental centers and dealers without their having to take any action. As a result, changes to rental rates, customer information, and equipment information are transmitted quickly to all of U-Haul's dealers and rental centers. In addition, each dealer's computers need only have the capability to connect to and interact with the internet. They no longer need to meet the stringent specifications required for the non-internet based system.

16. To overcome the foregoing long-felt needs and implement the POS system on the internet, the system code and database had to be modified to operate in the internet environment and to handle large volumes of information at a central location. In addition, the various rental centers and dealers had to obtain internet connections (dial-up, dsl, cable modem, etc.) to access the system.

17. I am generally familiar with the rental systems used by U-Haul's competitors and am generally aware of the systems used by Budget and Ryder which were described in my Response to the Requirement for Information. While the internet has been around for a number of years, on information and belief, no other companies have implemented a POS system for the rental and reservation of trucks or other equipment which addresses the foregoing needs or which is connected to the internet.

#### Commercial Success of the Claimed Invention

18. The implementation of the claimed internet-based POS system has been commercially successful. The nexus between the commercial success of U-Haul's internet-based POS system and the claimed invention is the recitation of an internet connection in each of the pending claims. As market conditions have changed, rental rate information has been transmitted quickly to all of U-Haul's dealers and rental centers because the internet connection avoids the need to download rental rate changes to each of the various dealer's and rental centers computers. As a result, it is my belief that U-Haul has been able to quickly adapt to changing market forces without having certain of its dealers or centers lagging behind and using out of date rental prices. Because U-Haul and its competitors are subject to the same market forces, it is also my belief that the claimed invention has given U-Haul a competitive edge over Budget, Ryder and its other competitors.

19. The internet-based system has also been commercially successful in that it has reduced capital costs for computers by avoiding the need for each dealer and center to have a computer which meets the specifications necessary to run the POS system software.

20. As mentioned above, U-Haul offers rental rate concessions for those customers who agree to return rental vehicles to a specific location, usually a location in need of that particular vehicle. By connecting the POS system to the internet, as claimed, U-Haul has been able to enforce these agreements and verify whether the customer has in fact returned a vehicle to the agreed-upon location. As a result of enforcing these agreements, it is my understanding that U-Haul has saved approximately \$6-9 million/year by only giving discounted rates to those customers who have returned their vehicles to the agreed upon location.

21. Based on the foregoing, I believe that none of the cited references suggest or disclose that the use of the claimed invention would address the long felt but unsolved needs or provide the commercial success described above. As a result, I believe that the claimed invention is novel and non-obvious over the cited references.

All statements made of my own knowledge are true, and all statements made upon information and belief are believed to be true. I have been warned that willful false statements are punishable by fine, or imprisonment, or both (18 U.S.C. 1001) and may jeopardize the validity of the application or any patent issuing thereon.

Dated: Jan 12, 2005Gordon Michael Wiram  
Gordon Michael Wiram

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